DOGM MINERALS PROGRAM FILE COPY

January 4, 1989

TO: Wayne Hedberg, Permit Lead

FROM: Scott Johnson, Reclamation Engineer

RE: Barrick Mercur Gold Mine, Notice of Intention to Revise Large Mining Operations, M/045/017, Tooele County, Utah

The above referenced notice was received by the Division on November 30, 1988. This revision proposes a 435 acre increase in surface disturbance, from 1,239 acres to 1,674 acres. The revised reclamation estimate, submitted by the operator with the Notice is \$9,970,445 (in 1999 dollars @ \$5,956/acre). The current surety, in the form of a self-bonding indemnity agreement, is for \$6,657,000 (in 1999 dollars @ \$5,373/acre).

This operation is using a leach decommissioning technique which requires placing a 12 inch clay cap on the leach dumps during final reclamation. A 36 inch layer of subsoil followed by 12 inches of topsoil is then placed on the clay. Although these costs are accounted for in the reclamation estimate, the costs for flushing and draining are not included. Since this flushing and draining requirement is adequately addressed in the text (page II-77a), I did not alter the surety estimate.

The revision is mostly for the expansion of currently approved mining activities. The exception to this is the newly proposed Rover Hill Pits and Dump Leach. These new pits and dump leach will be mined and constructed in the same manner that the approved pits and leaches are mined and constructed. For this reason, I have not reviewed these additions in detail. The revised reclamation estimate submitted by the operator includes the 435 acre expansion and appears adequate.

The NOI looks good to me. I recommend we expedite the approval of this expansion and accept surety in the amount of \$9,970,000.

cc: Holland Shepherd

jb MN17/27